NOTICE OF INTENTION TO DRILL

(see rules on reverse side)

Starting Date ......................... 1 - 5 - 86

OPERATOR: License # 5363
Name .................. BEREXCO INC.
Address .................. 970 Fourth Financial Center
City/State/Zip .............. Wichita, KS 67202
Contact Person ............. Max Houston
Phone .................... (316) 265-3311

CONTRACTOR: License # 6033
Name .................. Murfin Drilling Company
City/State ................. Wichita, KS 67202

Well Drilled For: ................. Well Class: Type Equipment:
X Oil .................... SWD .................... Infield ................. X Mud Rotary
X Gas .................... Inj .................... Pool Ext. ................. Air Rotary
X OWWO ................. Expl .................... X Wildcat ................. Cable

If OWWO: old well info as follows:
Operator .................. Abercrombie Drlg Co.
Well Name .................. #1 Mines
Comp Date .................. 4-1-77
Old Total Depth ............. 3945

I certify that well will comply with K.S.A. 55-101, et seq., plus eventually plugging hole to KCC specifications.

Date .................. 12-23-85
Signature of Operator or Agent .................. Title .. Geologist

For KCC Use:
Conductor Pipe Required ............... feet: Minimum Surface Pipe Required ............... feet per Alt. 1 2
This Authorization Expires .................. 6-06-86
Approved By ..................
Must be filed with the K.C.C. five (5) days prior to commencing well
This card void if drilling not started within six (6) months of date received by K.C.C.

Important procedures to follow:

1. Notify District office before setting surface casing.

2. Set surface casing by circulating cement to the top.

3. File completion forms ACO-1 with K.C.C. within 90 days of well completion, following instructions on ACO-1, side 1, and including copies of wireline logs.

4. Notify District office 48 hours prior to old well workover or re-entry.

5. Prior to filing Intent, prepare a proposed plugging plan in case well is D & A, then obtain approval of plan when calling district office prior to setting surface pipe.

6. Submit plugging report (CP-4) to K.C.C. after plugging is completed.

7. Obtain an approved injection docket number before disposing of salt water.

8. Notify K.C.C. within 10 days when injection commences or terminates.

9. If an alternate 2 completion, cement in the production pipe from below any usable water to surface within 120 days of spud date.

State Corporation Commission of Kansas
Conservation Division
200 Colorado Derby Building
Wichita, Kansas 67202
(316) 263-3238